



**JESUIT CENTRE FOR THEOLOGICAL REFLECTION**

**(JCTR)**

**Memorandum on**

**BUDGET ANALYSIS OF HEADS 89: MINISTRY OF AGRICULTURE;  
86: MINISTRY OF FISHERIES AND LIVESTOCK; 53: MINISTRY OF  
GREEN ECONOMY AND ENVIROMENT; 85: MINISTRY OF LANDS  
AND NATURAL RESOURCES**

**Submitted to**

**THE NATIONAL ASSEMBLY COMMITTEE ON AGRICULTURE,  
LANDS AND NATURAL RESOURCES**

**September 2023**

**“A Just Zambian Society Guided by Faith, Where Everyone Enjoys the Fullness of Life**

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## **1.0 ORGANIZATIONAL BACKGROUND**

The Jesuit Centre for Theological Reflection (JCTR) a faith-based research, education and advocacy Centre established in 1988. JCTR has continued to work with Government by conducting analysis and research on key social and economic issues affecting our nation. Specifically in the context of National Budgets, we have on various occasions been awarded the opportunity to analyse and input into the budget process. This is because we regard the National Budget as an important economic policy instrument, which has the potential to reduce the incidence of poverty.

JCTR is concerned with equity, social and economic justice to enable Zambia make significant strides where human and pro-poor national development remain key. Specifically, in the context of national development, JCTR has on various occasions been awarded the opportunity to analyse and input towards a number of national matters of interest. This we have done consistently over the years through various interventions. Interventions aimed to contribute to seeing Zambia attain long-term objective of being a prosperous middle-income nation by the year 2030. To enable Zambia, make significant strides where human and pro-poor national development remain key, JCTR recognises that an understanding of emerging issues and translating identified issues into action remains paramount in ensuring development trickles down to the most vulnerable in society.

## **2.0 INTRODUCTION**

The analysis of Zambia's budget for the Ministries of Agriculture, Fisheries and Livestock, Green Economy and Environment, as well as Lands and Natural Resources is a critical examination of the financial allocations and priorities set forth by the government in these sectors. These ministries play a pivotal role in the country's economic development, environmental sustainability, and food security. In this comprehensive review, we will delve into the budget allocations, policies, and strategies outlined by each of these ministries to understand how they aim to address the unique challenges and opportunities within their respective domains. By scrutinizing these budgets, we seek to gain insights into the government's commitment to agricultural advancement, fisheries and livestock management, green economy initiatives, and natural resource stewardship. Additionally, we aim to assess whether these budgetary provisions align with the nation's developmental goals and priorities, ultimately contributing to Zambia's socio-economic growth and environmental preservation.

For instance, Agriculture contributes about 19 percent to GDP and employs three quarters of the population. Domestic production is comprised of crops such as maize, sorghum, millet, and cassava while exports are driven by sugar, soybeans, coffee, groundnuts, rice, and cotton as well as horticultural produce. The Zambian agriculture sector comprises crops, livestock, and fisheries. There are three broad categories of farmers: small-scale, medium, and large-scale. Over 60 percent of the population derives its livelihood from agriculture. Despite Zambia experiencing strong economic growth in the recent past, agriculture has not performed well. In order to fully exploit agriculture, Zambia has developed well-articulated agricultural policies and strategies which emphasize objectives such as attainment of food security, maximizing

farmers' incomes, promoting sustainable agriculture, and enhancing private sector roles in input and output markets<sup>2</sup>

### 3.0 2024 NATIONAL BUDGET OVERVIEW

The 2024 budget is anchored on the theme, “*Unlocking Economic Potential*”. As in the Presidential address a fortnight ago, the Minister did acknowledge that the country’s economic growth in the current budget being implemented was revised downwards on account of reduced production in the mining sector owing to operational challenges. However, given some form of debt relief attained in the restructuring in June this year. Some resources have been freed up to allow investment in selected growth sectors that include tourism, mining, agriculture and tourism.

The proposed budget in 2024 stands at ZMW 177.9 billion from ZMW 167.3 in 2023. To support the expenditure, government plans to utilise domestic resources amounting to ZMW141.1 billion of which ZMW 114 billion will be tax revenues while ZMW 26.5 billion will be non-tax revenues.

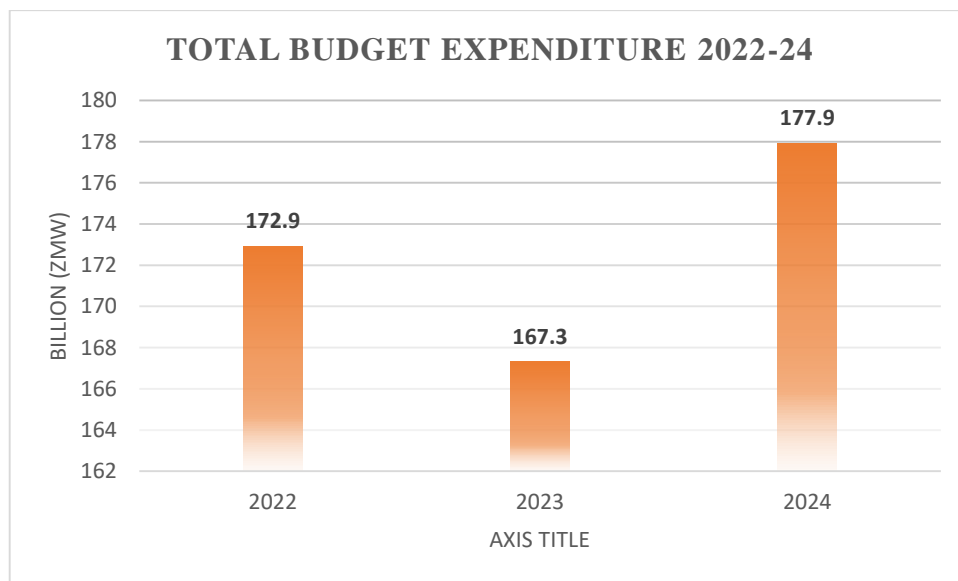


Figure 1 National Budgets 2022-2024

## 4.0 SECTORAL BUDGET ANALYSIS – HEADS 89, 86, 53 AND 85

### 4.1 AGRICULTURE, FISHERIES AND LIVESTOCK

Although Zambia’s agriculture sector historically has accounted for a significant share of the country’s employment and gross domestic product (GDP), that share has begun to wane in recent years. The sector’s contribution to GDP, for example, declined from approximately 10 percent in 2011 to three percent in 2020. Between 2017 and 2021, the sector contributed only 0.1 percent of real GDP growth. Currently, smallholder farmers dominate Zambia's agriculture industry, accounting for over 80 percent of total agricultural output. These farmers, however, face a number of obstacles, including limited access to inputs such as seeds and fertilizers, inadequate market access, and low productivity. Furthermore, the sector is vulnerable to climate change, with irregular rainfall and rising temperatures affecting crop yields.

To support expenditure in sectors such as agriculture 2024 national budget, government proposes to spend ZMW 13.8 billion on various interventions in the agriculture, fisheries and livestock sub-sectors. This allocation is broken down as follows: ZMW 8.6 billion for farmer input support program, ZMW 1.7 billion for strategic food reserve, ZMW 598.4 million on farm block development and irrigation to reduce dependence on rain-fed agriculture and support agricultural activities, ZMW 498.8 million for animal health control.

The figure below showing the agriculture, livestock and fisheries sector allocation as a percentage of the total budget from 2019 to 2023 reaffirms the commitment of the just released budget where agriculture allocation as a share of the budget has been the highest in the last SIX YEARS years. It is noteworthy to mention that despite the increase to the agriculture sector in the 2024 national budget, from ZMW11 billion in 2023 to ZMW13.8 billion in 2024, the agriculture share of the national budget for the last four years has failed to meet the Maputo Declaration. African states are to allocate a minimum of 10% of the national budget to help achieve the 6% annual growth rate.

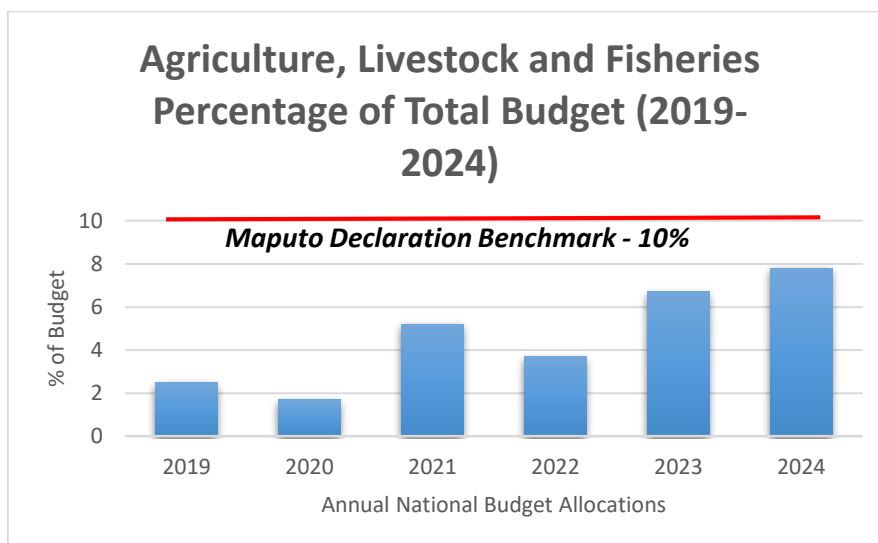
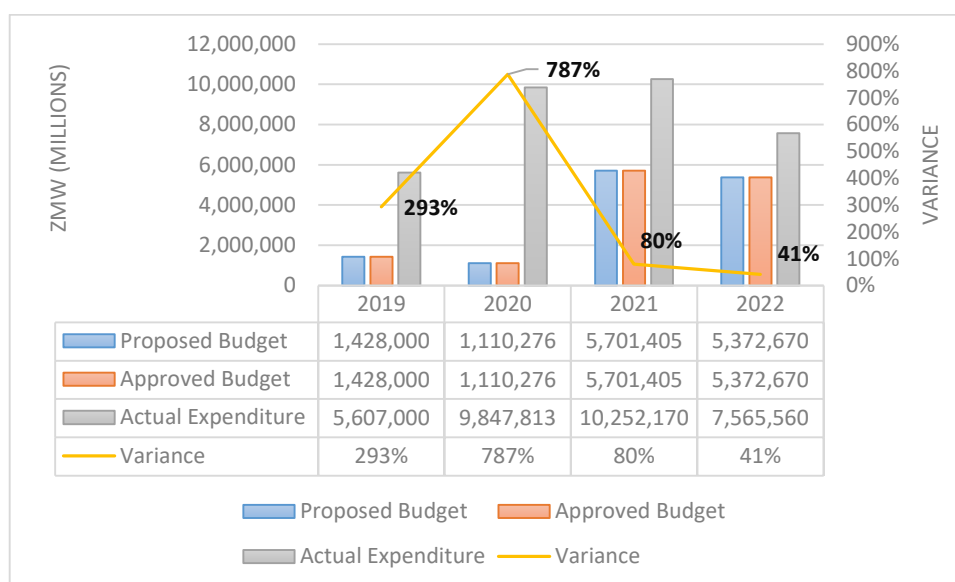


Figure 2 National Budget Allocations to Agriculture, Livestock and Fisheries

Allocations in the yellow book still a reduction funds allocated to the farmer input support programme. In light of increases towards agricultural development programs such as mechanization, extension support services, irrigation development, and early warning and surveillance systems. This is quiet key and timely. At the same time, JCTR notes that allocations towards research and development have been increased. These investments remain key to fostering long-term gains in the sector. Past budgets in the sector have been characterised by outsize expenditures on the near-term priorities of FISP and strategic food reserves.

In a recent study conducted by the JCTR examining budget credibility in the Agriculture sector<sup>1</sup>On average, spending did not align with the approved budget threshold. Of particular concern was the variance deviation in 2020, which registered over-spending of 787 percent. This trend improves in the last two years of the period under review, when deviations did not exceed 100 percent.

Figure 3 Farmer Input Support Programme Expenditure Performance (2019-2022)



Source: Ministry of Finance and National Planning (MOFNP) Annual Economic Reports and Yellow Books

To improve the sector's outcomes, the government needs to continue to pursue efforts to enhance budget credibility by ensuring timely disbursements, allocating adequate resources, and improving financial management systems. This will not only improve the productivity of smallholder farmers, but also enhance the sector's competitiveness and sustainability in the long run. The FISP will also reap benefits in efficiency and effectiveness, teeing up its rebranding, planned for 2025/2026 farming season when full migration to the Comprehensive Agricultural Transformation Support Programme would have occurred and ensuring that the program achieves its objectives of increasing agricultural productivity, reducing poverty, and improving food security.

<sup>1</sup> <https://internationalbudget.org/publications/examining-budget-credibility-in-zambias-agriculture-sector/>

JCTR makes the following comments on other provisions made in 2024:

**Proposal:** Construction of 300 kilometres of roads in Nansanga, Luena and Shikabeta farm blocks with an allocation of K598.4 million. Construction of 10 bridges to enhance connectivity in the farm blocks. In addition, 200 kilometres of powerlines will be constructed in Luena, Luswishi and Shikabeta farm blocks to facilitate the installation of power to farms

**Comment:** Developing infrastructure like road networks and access to electricity will incentivize both current and prospective farmers to explore opportunities in farm blocks. Improved transportation and power availability will further attract investments. The presence of a larger farming community in these areas will naturally result in increased agricultural output. Additionally, the installation of power lines will encourage the establishment of processing facilities, thanks to the readily available electricity supply. This, in turn, generates employment opportunities, enhances food security, and contributes positively to the country's GDP.

**Proposal:** Government will unlock potential by improving animal health, animal identification and traceability as well as livestock breeding programmes. The disease surveillance and response system will be enhanced as regional veterinary laboratories in Chipata, Choma, Isoka, Kasama, Mongu, Ndola and Solwezi become operational. In addition, the Central Veterinary Research Institute will be rehabilitated to this effect, Government has allocated K498.8 million.

**Comment:** Enhancements in the animal identification system will play a crucial role in reducing incidents of stock theft, instilling confidence in more individuals to invest in livestock. Moreover, this advancement will bolster food safety by enabling the tracing of products back to their sources. The implementation of an animal identification system will also result in more accurate statistics regarding the country's livestock population, thus facilitating improved planning. Livestock breeding initiatives will be better equipped to enhance genetics, consequently raising overall livestock production and productivity levels. Furthermore, increased investment in animal health will lead to a decrease in livestock diseases, lower livestock mortality rates, and more efficient service provision. These improvements may, in turn, bolster the veterinary sector both at the regional and international levels, opening up opportunities for expanded exports.

**Proposal:** Government, working in collaboration with Cooperating Partners, will establish an agriculture credit window with an allocation of K386 million. This will support small scale farmers, emergent farmers, and public service workers with affordable financing to procure inputs, equipment and irrigation systems.

**Comment:** Availability and access to finance will go a long way in supporting farmer investment and ultimately increasing farmers' production.

### 4.3 GREEN ECONOMY AND ENVIROMENT

Globally, climate change affects households and families, including those in Zambia, through hazards like flash floods, droughts, and shortened rainfall. These threats pose challenges, particularly in food security and diversity, as many communities rely on agriculture.

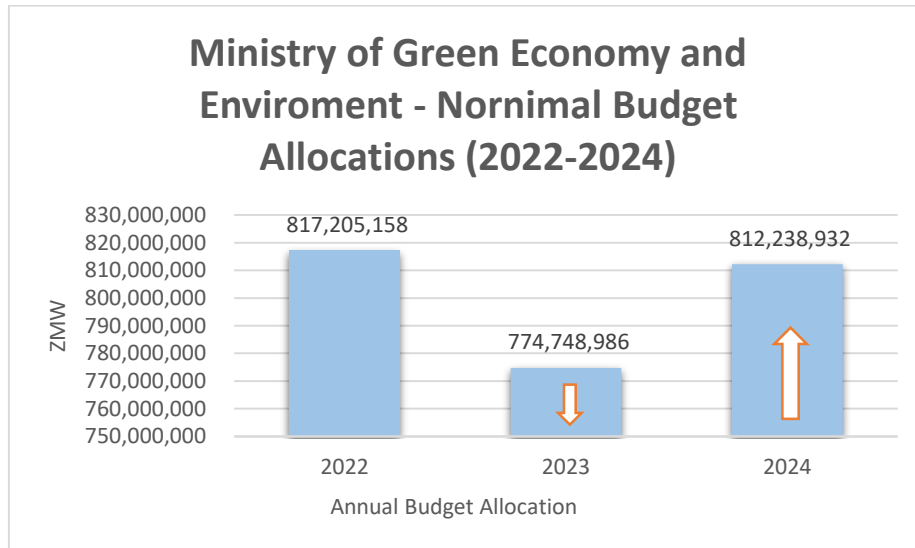


Figure 4 Budget allocations comparisons 2022-2024 Green Economy and Environment

The recently presented budget for Zambia under the green economy and environment has been increased in normal terms to adequately prepare and respond timely to adverse weather conditions that has continued to affect the world at large. However, as a centre this leaves us with some critical reflections, particularly in the context of prioritizing allocations for the green economy and environmental conservation. It is evident that the budget falls short in terms of dedicating substantial resources to these vital sectors, despite the pressing need for sustainable development and climate resilience in the face of escalating environmental challenges.

One of the glaring observations is that while climate finance and official development assistance can play a pivotal role in addressing environmental concerns, they tend to be limited and often come with various conditionalities. If resources are not dedicated even as scarce as they may be the nation may be left to opt to rely on external sources such as climate financing.

The allocation of adequate funds to the green economy and environment is not merely an investment but a necessity. Climate change, deforestation, habitat degradation, and pollution are real and imminent threats that demand immediate attention. Neglecting these concerns in the budget can have far-reaching consequences, not only in terms of environmental degradation but also in terms of food security, water availability, and the overall well-being of our citizens.

To truly advance the green economy and protect our environment, Zambia must prioritize these sectors in its budgetary allocations. This means dedicating a substantial portion of resources, fostering innovation, and implementing policies that encourage sustainable practices.



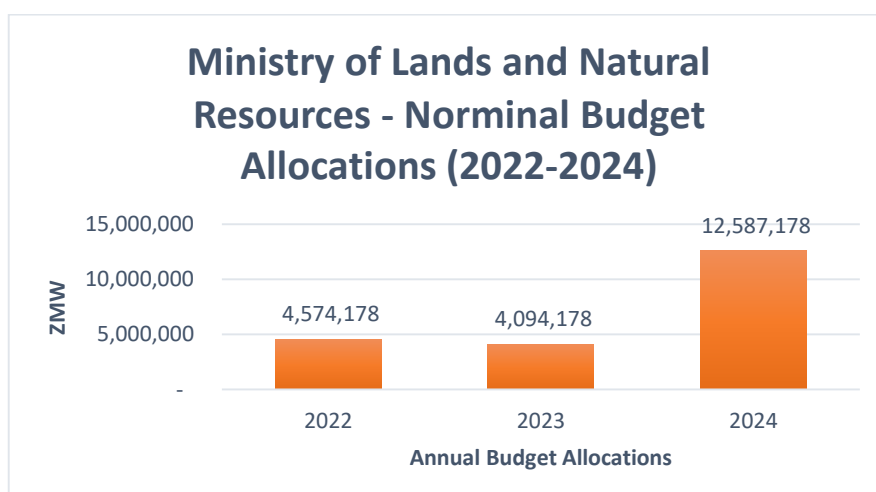
Additionally, exploring domestic sources of climate finance, such as carbon trading and green bonds, can provide the nation with the financial independence needed to drive our environmental agenda forward. It is key to note that Zambia currently has interim guidelines (December 2022) on the handling of carbon markets and trading in Zambia.

From the policy perspective, JCTR expresses reservations about the proposal to amend environmental management legislation with the aim of expediting the issuance of decision letters. The introduction of a concept like deemed approval, without simultaneous efforts to bolster the capacities of the Zambia Environmental Management Agency (ZEMA), such as hiring additional personnel and augmenting their budgetary allocation, may lead to situations where ZEMA struggles to meet assessment timelines. In the interest of environmental sustainability, it would be advisable for the Government to prioritize initiatives like carbon trading and the establishment of timber exchanges, which can contribute significantly to the preservation of our environment.

In conclusion, the sectors budget's failure to prioritize allocations to the green economy and environment serves as a wake-up call. It underscores the urgency of mobilizing domestic resources and placing environmental conservation at the forefront of our national agenda. By doing so, Zambia can not only safeguard its natural heritage but also create a resilient and sustainable future for its citizens.

#### **4.4 LANDS AND NATURAL RESOURCES**

The management of lands and natural resources in Zambia is a critical responsibility of the government, specifically under the purview of the Ministry of Lands and Natural Resources. The ministry under its mandate is responsible for the administration and management of land resources in Zambia. This includes land allocation, titling, and registration of landowners. The goal is to ensure equitable access to land and promote responsible land use. The ministry oversees the sustainable management of natural resources, including forests, wildlife, water bodies, and fisheries. This involves conservation efforts, licensing of resource-based activities, and enforcing regulations to protect these resources. The ministry equally plays a pivotal role in regulating the mining sector, issuing mining licenses, and collecting royalties and taxes from mining companies. Allocations to sector to carry out its mandate are they key in preserving other key aspects around environmental protection.



Zambia faces various challenges, including illegal mining, deforestation, land disputes, and the need to balance economic development with environmental conservation. Effective management and governance are essential to address these challenges. Preserving both and national resources becomes key.

The budget in this vain proposes some non-tax measures such as increase the license fee for commercial Kapenta operators to K4,000.00 from K3,333.00. This will help ensure that the commodity is not usually overharvested and ultimately reduce its price for the benefit of all consumers. The budget equally proposes to increase allocations to the sub-programme on land administration and regulation. This is productive in as far as facilitation land for developmental activities. Biodiversity conservation and protection have also seen increase from ZMW 12.6 million from approximately ZMW 4 million. This is in as far sustainable development and linkages that exist between some of the key sectors identified to grow the economy i.e. mining vs natural resources, land vs agriculture with climate change as a cross cutting thematic area.

## **6.0 RECOMMENDATION**

- The Government must ensure a thorough scrutiny of the beneficiaries of the soon to be launched Comprehensive Agriculture Support Programme to ensure that vulnerable and poor rural farmers are prioritised in the process. However, it is key that support is provided to farmers viable (low income households)
- There is a need to continue allocate resources towards research and development in the sector so as to ensure that the country is utilizing climate resilient seed varieties, high yield seed varieties to enhance productivity.
- There is a need to ensure that the country migrates from mono-cropping and diversifies based on comparative advantage of what grows better in various provinces and districts.
- Government must ensure that resources allocated are allocated towards inspectors in the agricultural sector so that there is enhanced monitoring of activities conducted by extension officers especially in rural areas.
- It is important for the government to enhance domestic resource mobilization to ensure that more revenue is collected for Agriculture spending and to attain the Maputo declaration. Therefore, more must be done to curb illicit financial flows, tax evasion and improve public procurement processes.
- Reporting on Programme outputs remains key to track progress and reevaluate targets when they achieved or under achieved
- While it is true that Zambia has faced fiscal constraints in the wake of the recent debt crisis, it is crucial to recognize the interconnectedness of agriculture, livestock, fisheries, the green economy, environment, and lands and natural resources. These sectors are not isolated entities; they are intrinsically linked and have a profound impact on one another.
- There is need for enhanced monitoring and evaluation mechanism as this will help the government to evaluate the program's effectiveness on an ongoing basis as well as

detect the challenges that hinder achievement of the intended objective of the program in real time.

## **7.0 CONCLUSION**

The JCTR is delighted by the increment in the agriculture sector, as the sector is key in the development of the country especially the rural areas whose majority of the population depend on agriculture as a source of employment and livelihoods. JCTR notes that a significant shift in the upward budget allocation to research sub-programme has been effected. This is key as the agriculture sector in Zambia contributes about 19 percent to GDP and employs three quarters of the population has faced challenges such as climatic threats. In spite of abundant water and land resources, Zambia's agricultural sector is still underdeveloped and has yet to achieve food security. The sector's present situation is characterized by low productivity, underdeveloped markets, decreasing soil fertility, as well as poor agricultural farming systems of which the situation of smallholders and emergent farmers is particularly precarious.

Agriculture, livestock, and fisheries are undoubtedly vital contributors to the nation's economic growth and food security. However, their sustainability and productivity are closely tied to the state of our environment and the availability of natural resources. The land we use for farming, the quality of our soils, the availability of water resources, and the health of our ecosystems all play pivotal roles in determining the success of these sectors.

Conversely, the health of our environment and the sustainable management of our natural resources are heavily influenced by how we conduct agriculture, livestock rearing, and fisheries. Deforestation, soil degradation, water pollution, and habitat destruction are often consequences of unsustainable practices within these sectors. For example, quite recently, the Lukanga Swamps in Chibombo districts are disappearing at a faster rate (three times faster than forests) as a result of climate change. If left unchecked, this will result in severe consequences for people who demand on wetlands for livelihood. Therefore, it becomes evident that these sectors are not merely independent contributors to the economy; they are mutually dependent. Neglecting one at the expense of the other is a short-sighted approach that could undermine the overall well-being of our nation.

To ensure the long-term prosperity of Zambia, we must recognize the interconnectedness of these sectors and allocate sufficient resources to each. A balanced and holistic budget that prioritizes the green economy, environment, and lands and natural resources will not only secure our environmental heritage but also enhance the resilience and sustainability of agriculture, livestock, and fisheries. It is a strategic investment in our nation's future that will yield dividends for generations to come.

It is also important that measures are put in place to ensure that existing programmes such as FISP are implemented according to the way they were designed, with an improved focus on transparency and accountability through routine audits and reporting. Appropriate policies should be seriously considered which will deter political interference and abuse in the implementation of the programme.

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Presentation

Advocacy on Socio-Economic Development

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# Budget Analysis of Heads 89: Ministry of Agriculture; 86: Ministry of Fisheries and Livestock; 53: Ministry of Green Economy and Environment; 85: Ministry of Lands and Natural Resources

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